Fw: Gulf coast power plants article

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FYI

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Of interest. . . . .

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----- Forwarded by Chris Thomas/R4/USEPA/US on 06/04/2010 12:27 PM -----

From: "Piper, Rich" <Rich.Piper@nexteraenergy.com>

To: Chris Thomas/R4/USEPA/US@EPA

Date: 06/04/2010 12:18 PM

Date: 06/04/2010 12:18 PM
Subject: FW: Gulf coast power plants article

Chris,

Someone just forwarded the attached article and information to me.

The plants discussed are NOT FPL's but I thought you'd be interested.

Rich

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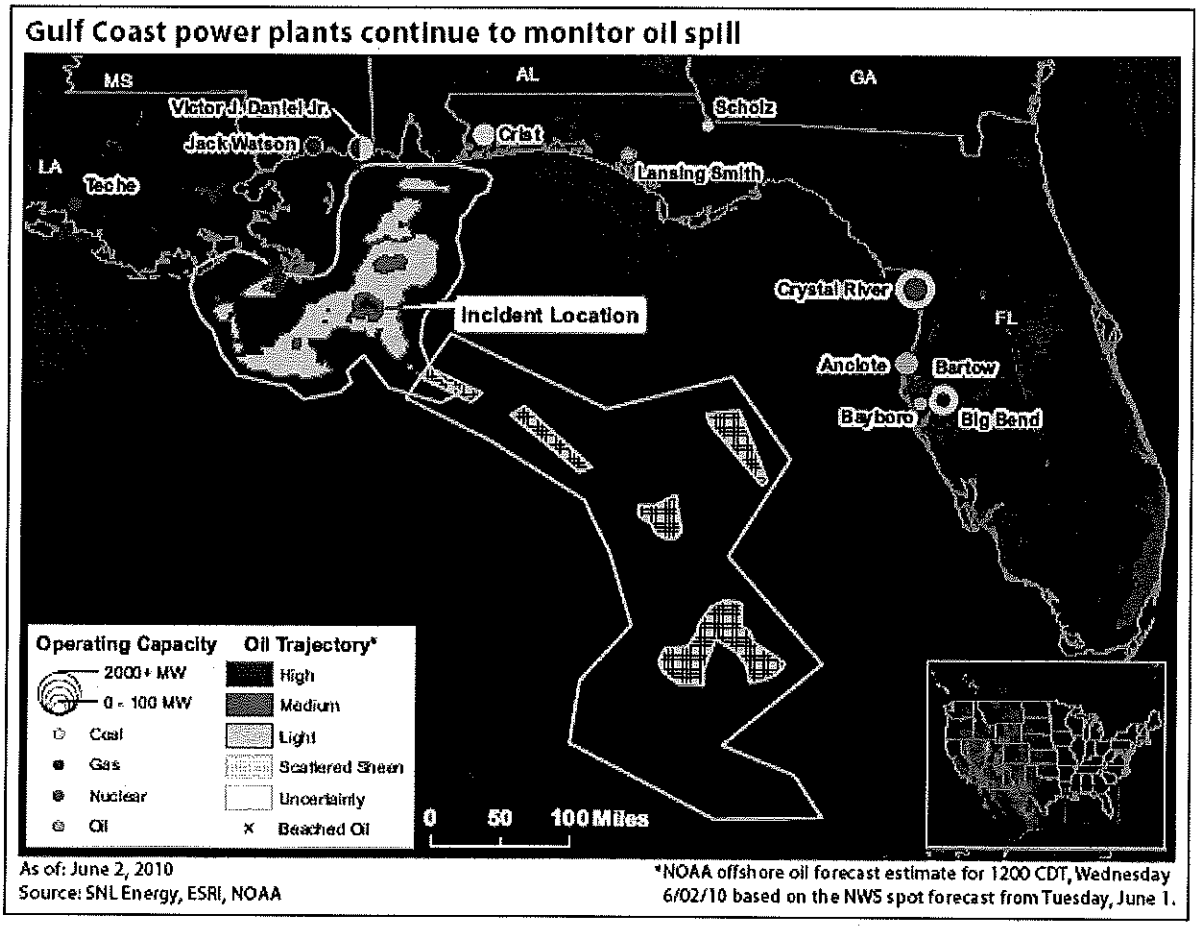

11 Gulf Coast power plants plan for the worst as oil spill grows

By Wayne Barber and Peter Marrin

As many as 11 large power plants along the U.S. Gulf Coast could be at risk of shutting down if oil from the Deepwater Horizon spill interferes with the facilities' intake structures. Most plant operators see a low chance of impact, but are still taking precautionary measures.

A May 12 situation report from the U.S. Department of Energy's Office of Electricity Delivery & Energy Reliability said a number of Gulf Coast plants draw cooling water directly from the Gulf of Mexico or adjacent salt water sources and could be impacted by the oil spill.

"If the water supply for these facilities becomes contaminated with oil, cooling water systems could be damaged," the report said.

The DOE did not identify the specific plants. However, an analysis by SNL Energy showed as many as 11 different power plants at various levels of risk for oil intrusion.

Mississippi Power: We have been fortunate

Southern Co.'s Jack Watson 4-5 units and Victor J. Daniel Jr. plant, both operated by Southern utility Mississippi Power Co., are some of the plants closest geographically to ground zero of the gushing oil well, about 130 miles southeast of New Orleans, but neither draw their cooling water from the Gulf of Mexico and are not under an immediate threat, according to Mississippi Power spokeswoman Cindy Duvall.

"We are in daily contact with state and local regulatory officials to monitor the movement of the oil and oil

detection," Duvall said. "We have developed an oil response team at the [Watson] plant to specifically prepare for this issue. This team closely monitors the situation and the water to protect the plant."

Among the company's contingency plans to mitigate the impacts of the oil before it reaches the plant, "We would use booms to direct the oil away from the plant and oil skimmers to remove the oil from the surface of the water," Duvall said, noting that oil response contractors and equipment are on standby to assist as needed.

"We have been fortunate" to see no impact to plant operations, she said.

In the Florida Panhandle, three plants operated by Southern subsidiary Gulf Power Co. also continue to monitor the progress of the oil spill. According to Gulf Power spokesman Jeff Rogers, the Crist plant in Escambia County, the Lansing Smith facility in Bay County and the Scholz power plant in Jackson County are all at risk from the oil spill. Plant Crist draws cooling water from Escambia River, Plant Smith draws its water from North Bay and Plant Scholz draws cooling water from the Apalachicola River.

"We feel it's unlikely that the oil spill will make it to these plants, but are prepared nonetheless," Rogers said June 2. He noted booms have been installed in the cooling water intake canal at Plant Crist and that booms are staged at other plants to be installed if necessary.

Rogers said an oil intrusion at Plant Crist would mean that oil could potentially get into the plant's condensers and cooling towers, which might require some cleaning in the future. "However, we feel that the booms will likely keep oil out of these systems," he said. "It is anticipated that low levels of oil will have no effect on our equipment."

Meanwhile, Rogers noted other effects from the oil spill, including redirected coal shipments.

"In order to steer clear of increased boat traffic and potential oil contamination, our barges are now diverting from the Mississippi to the Tennessee River then to the Tenn-Tom Waterway then the Tombigbee to the Mobile River then into Mobile Bay," Rogers explained. "We then are back into the Intracoastal Waterway where we access all of our plants."

The oil spill has not affected coal shipments to Plant Watson, Duvall said.

Florida faces remote risk but prepares anyway

Progress Energy Inc. and TECO Energy Inc. said June 2 that chances are still pretty remote that the ongoing oil leak will endanger cooling water reserves for some of their coastal power plants in Florida anytime soon, but they are planning for the worst.

"We are monitoring the oil spill situation closely and are receiving updates on the situation," said TECO spokesman Rick Morera. "We do have plans in place to respond, in the unlikely event that oil does get into Tampa Bay, by deploying booms in strategic areas around the plant to contain the oil. These booms are already on-site and available to be deployed quickly."

TECO Energy's four-unit, coal-fired Big Bend power station, with capacity of roughly 1,900 MW, sits on Tampa Bay in southeastern Hillsborough County, Fla.

"The current models indicate the slick is not going to reach our plants," said Progress Energy spokeswoman Suzanne Grant. "We are not resting on that." Progress Energy is in contact with the U.S. Coast Guard and various government agencies. It also participates in a daily conference call on the spill.

Progress Energy has its own "oil response contractor" on alert. The contractor normally responds to any spills on or around a Progress Energy property in Florida, Grant said.

The company's Florida utility subsidiary, Progress Energy Florida, known legally as Florida Power Corp. operates four plants on the Gulf Coast.

Three of the plants have intake canals: Anclote in Pasco County, the Crystal River complex in Citrus County (the same complex also is home to the Crystal River nuclear plant), and Bartow CC in Pinellas County.

Intake canals bring water from the Gulf of Mexico to the plants. The water is used for cooling purposes and returned to the canals. A fourth coastal plant, Bayboro, in St. Petersburg, Fla., has a barge canal used for fuel delivery.

"Our coastal power plants maintain a boom system for their canals," said Progress Energy Florida President and CEO Vincent Dolan. "If the oil approaches our plants, we will work with our oil spill-response contractor to augment the existing protective measures."

The hurricane variable

In Louisiana, a state all too familiar with the disruptive potential of hurricanes, power plants are not expected to

In Louisiana, a state all too familiar with the disruptive potential of hurricanes, power plants are not expected to operate much differently than they would during any other storm season, but regional plants are once again planning for the worst.

Cleco Corp. said it is working to protect the Charenton Canal that provides the cooling water source for its Teche Power Station in Baldwin, La. Cleco has been told it is "not impossible" for the slick to threaten that canal, a spokeswoman said.

Cleco has secured three levels of protection for its cooling water if the oil slick reaches the mouth of the Charenton Canal, where it connects to the Intercoastal Waterway, said spokeswoman Robbyn Cooper.

BP, the lessee of the Deepwater Horizon rig, has committed to put a boom at the mouth of the Charenton Canal where it connects to the Intercoastal. Cleco has secured a private company that will place an oil boom outside of the plant's intake structure, and Cleco also plans to put a boom inside the intake structure.

Meanwhile, Entergy Corp. spokesman Mike Burns said June 2 the company will continue to monitor the situation closely and "will respond if it's needed."

"We don't expect [the oil spill] to have any immediate impact on our southern Louisiana power plants," but if oil does encroach on any of its facilities, the plan is to "boom off the intake," Burns said.

"Chances are pretty remote at this point that [the oil spill] will have any effect on Entergy's generation facilities because most of our plants draw their water from other bodies of water that ultimately feed the Gulf," Burns said, pointing to the Mississippi River as a primary source of cooling water for Entergy's plants.

However, Burns noted that any direct hit from an intense hurricane could present unique, but not unprecedented challenges, noting that the same substations destroyed by Hurricane Katrina in 2005 — since repaired — would be most at-risk by any storm surge.

Even the possibility of an oily content to the flood waters would not be new. In 2005, Katrina flooded a Murphy Oil Corp. refinery in St. Bernard Parrish, La., ultimately releasing approximately 25,000 barrels of oil.

The Atlantic Basin hurricane season runs from June 1 to Nov. 30, with forecasts calling for a active to extremely active season.